

City of Springfield**FY 06 Recommended Budget**

Function: Finance
Department: Treasurer's Office
Department Budget: \$45,039,444

Department Mission:

The mission of the Treasurer's Office is to deposit and invest City funds, manage the City's borrowings, and make all disbursements in a manner that inspires public confidence in the integrity and fairness of the department.

Department Highlights:

The Treasurer's Office operates within the department of Finance for the City. The department is responsible for managing all of the City's banking, including the banking services; identification of all wire transfers into City bank accounts; investment of City cash; management of the City's trust funds; reconciliation of all cash; timely payment of all debt service obligations; and prompt payment of all approved obligations to vendors, contractors and employees. The Treasurer's Office manages all properties taken for nonpayment of taxes and public auctions or dispositions of all foreclosed properties to return to the tax roll.

The Treasurer's Office is in the midst of four major projects. The Treasurer's Office on March 17, 2005 has engaged JER Revenue Services to assist in collection of the Tax Title Accounts, return properties to the City tax roll and increase cash flow for the City. The department has also engaged with Automatic Data Processing, Inc. (ADP) to provide the City with a Centralized Human Resource and Payroll system to enhance service to the citizens/employees of the City. We believe that ADP brings unique expertise to help the City's operations, contain costs, and streamline processes. The department is also in the middle of closing down many of its bank accounts to improve the efficiency in the City cash management. The Treasurer's Office is working with the Housing Office and Law Department to create a centralized Tax Possession database to house all properties currently owned by the City due to the foreclosure process.

Currently the Treasurer's Office only accepts payments made over the counter or through the mail for properties in Tax Title. In fiscal year 2006, the Treasurer's Office will offer another option to taxpayers to make payments. The department will promote a method for online collection of Tax Title accounts with no additional increase in the budget and possibly no additional cost to the taxpayer. In closing, the Treasurer's Office will use whatever resources the City has that would enhance its operation or use of any new technology to improve service to the taxpayers and employees of the City.

In closing, Treasurer's Office staff is taking a more proactive approach in the collection of the City's Tax Title Accounts. The department has seen an increase in collection in tax title accounts from January 2004 through April 2005. The chart below is to illustrate the increase in collections by this department.

| Fiscal Year | Total Through April 30, 2005 |
|--------------------|-------------------------------------|
| 2005 | \$ 6,712,177 |
| 2004 | \$ 6,589,287 |
| 2003 | \$ 4,528,378 |
| 2002 | \$ 2,736,322 |
| 2001 | \$ 2,542,974 |
| 2000 | \$ 3,016,513 |

City of Springfield**FY 06 Recommended Budget**

Program: Treasury
Function: Finance
Department: Treasurer's Office

Program Goal:

The Treasurer's Office goal is to manage debt, investments, receipts, disbursements, and tax title taking accounts to provide the highest level of customer service to the city employees and taxpayers of Springfield.

Program Narrative:

To provide the highest level of customer service to our employees and taxpayers by collecting outstanding tax title taking accounts within the guidelines set by Massachusetts General Laws, processing payments for goods and services in a timely manner, invest City funds to return the highest yield possible and reduce the need to borrow for the purpose of cash flow.

Program Objectives:

1. Maintain a high level of customer service to the taxpayers and employees of Springfield.
2. Continue to borrow and manage funds in a timelier fashion for cash flow purpose of rendering payment for services and goods on the behalf of the City within six business days.
3. Invest City funds to return the highest yield as possible according with City investment policy.
4. Coordinate and implement a new Payroll/Human Resource system for the City.
5. Develop a collection process to have all departmental receipts collected by the Collectors Office.
6. Manage Tax Title Accounts to increase the number of redeemed properties.
7. Process more Tax Title Accounts through Land Court, to return back to tax rolls.

| Key Program Measures | FY 2004 <u>Actual</u> | FY 2005 <u>Estimated</u> | FY 2006 <u>Projected</u> |
|---|----------------------------------|-------------------------------------|-------------------------------------|
| <i>Customer Service</i> | | | |
| Days it takes to Process Redemption. | 8 Day | 7 Days | 5 Days |
| <i>Debt Services</i> | | | |
| Bond Rating | | | |
| <i>Disbursements</i> | | | |
| Days it takes to process all Disbursements. | 14 to 28 Days | 6 to 14 Days | 6 Days |
| <i>Investment Services</i> | | | |
| Average Interest Earned On All Investments. | 1.61 % | 2.99 % | 3.30 % |
| Average Interest Earned On All Bank Accounts | | | |
| <i>Tax Title Services</i> | | | |
| Tax Title Accounts Processed for Redemptions. | 618 | 1,000 | 1,500 |
| Properties Foreclosed On. | 35 | 25 | 75 |
| Properties Returned To Tax Rolls. | 22 | 9 | 30 |

Proposed Program Changes:

Increase in budget is due to the fact the Treasurer's Office is implementing a Centralized Human Resource and Payroll system at an estimated cost of \$1,505,000 and the department is taking a more proactive approach in the collection of the City's Tax Title Accounts, which has an estimated cost of \$900,000 for FY 06. The department has also budget an additional \$1,008,000 for legal services to help the Law Department take 1,200 properties to land court in FY 2006. It will also cost the city \$530 per property to file each case in land court at a total cost of \$636,000 for FY 2006. These additional costs to file Land Court cases will pass on to the delinquent taxpayers. When the taxpayers redeem or the City auctions off the properties, the City will recoup these funds.

City of Springfield
Program Summary
Finance
City Treasurer's Office
Treasury

FY 06 Recommended Budget

| | Actual Expenditures FY 04 | Adopted FY 05 | Actual 03/31/05 | Estimated 06/30/05 | Proposed FY 06 |
|----------------------------|--|--------------------------|----------------------------|-------------------------------|---------------------------|
| EXPENDITURE SUMMARY | | | | | |
| Regular Payroll | \$ 240,495 | \$ 340,314 | \$ 274,509 | \$ 378,682 | \$ 355,136 |
| Overtime | - | - | - | - | - |
| Purchase of Service | 48,253 | 738,222 | 289,774 | 386,365 | 3,963,374 |
| Materials and Supplies | 764 | 2,365 | 1,893 | 2,524 | 5,065 |
| Intergovernmental | 3,044,007 | 3,050,000 | 1,809,033 | 2,412,044 | 3,050,000 |
| Other/Tax title & Debt | 33,723,739 | 36,070,483 | 29,707,328 | 39,609,771 | 37,665,869 |
| Capital Outlay | - | - | - | - | - |
| Total | \$ 37,057,258 | \$40,201,384 | \$ 32,082,537 | \$ 42,789,386 | \$ 45,039,444 |

| | Actual FY 04 | Estimated FY 05 | Proposed FY 06 |
|-------------------------------|-------------------------|----------------------------|---------------------------|
| REVENUE SUMMARY | | | |
| Non General Fund | | | |
| Grants | \$ - | \$ - | \$ - |
| Bond Proceeds | - | - | - |
| Fees | - | - | - |
| Reimbursements | - | - | 1,842,500 |
| Total Non General Fund | \$ - | \$ - | \$ 1,842,500 |
| General Fund | | | |
| General Fund Fees | \$ - | \$ - | \$ - |
| General Fund Contribution | 37,057,258 | 42,789,386 | 43,196,944 |
| Total General Fund | \$ 37,057,258 | \$ 42,789,386 | \$ 43,196,944 |
| Total | \$ 37,057,258 | \$ 42,789,386 | \$ 45,039,444 |

| | Actual FY 04 | Adopted FY 05 | Proposed FY 06 |
|------------------------------|-------------------------|--------------------------|---------------------------|
| FUNDED POSITIONS/FTEs | | | |
| City Treasurer | 1 | 1 | 1 |
| Asst Treasurer | | | 1 |
| Treasury Analyst | 1 | 1 | 1 |
| Budget Analyst | 1 | 1 | 1 |
| Payroll Control Analyst | 1 | 1 | 1 |
| Administration | 3 | 3 | 4 |
| Total | 7 | 7 | 9 |

| | | | |
|------------------------------|----------------------|----------------------|----------------------|
| APPROPRIATION SUMMARY | | | |
| Personal Services | \$ 240,495 | \$ 340,314 | \$ 355,136 |
| Other Than Personal Services | \$ 36,816,763 | \$ 39,861,070 | 42,841,808 |
| Capital Outlay | | | |
| TOTAL | \$ 37,057,258 | \$ 40,201,384 | \$ 43,196,944 |